

United States Bankruptcy Court
Western District of Washington

In re:
CLI Holdings Inc
Debtor

Case No. 13-19746-KAO
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0981-2

User: suyingl
Form ID: pdf

Page 1 of 2
Total Noticed: 38

Date Rcvd: Dec 17, 2013

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Dec 19, 2013.

db +CLI Holdings Inc, 900 Winslow Way East, Suite 100, Bainbridge Island, WA 98110-2451
aty +Bryan I Reyhani, Reyhani Nemirovsky L, 200 Park Ave 17th Flr, New York, NY 10166-0004
aty Keller Rohrback LLP, 1201 3rd Ave #3200, Seattle, WA 98101-3052
smg +Attorney General's Office, Bankruptcy & Collections Unit, 800 5th Ave Ste 2000, Seattle, WA 98104-3188
sr Bitvestment Partners LLC f/k/a Dalsa Barbour LLC, c/o Charles R. Ekberg, Esq., Lane Powell PC, 1420 5th Ave, #4200, P.O. Box 91302, Seattle, WA 98111-9402
cr +Soule Investments, LLC, c/o Robert N. Amkraut, Riddell Williams P.S., 1001 Fourth Avenue, Suite 4500, Seattle, WA 98154-1065
954783367 +BTC Holdings LLC, 3350 Scott Blvd. Suite 32, Santa Clara, CA 95054-3118
954813074 +Barry Silbert, 5 East 22nd Street, PH - H, New York, NY 10010-5319
954783365 +Bitcoin Opportunity Fund LLC, 5 East 22 Street, PH4, New York, NY 10010-5315
954783366 +Bitvestment Partners LLC, c/o Reyhani Nemirovsky LLP, 200 Park Ave. 17th Floor, New York, NY 10166-0004
954813075 Brian Cartmell, 188 Quay Street Level 27, Auckland CBD, New Zealand 1010
954783368 +Christopher Koss, 3614 Hunts Point Road, Bellevue, WA 98004-1114
954813077 +CoinLab, Inc., 900 Winslow Way East, Suite 10, Bainbridge Island WA 98110-2451
954783369 +Coinlab, Inc., 900 Winslow Way East, Suite 100, Bainbridge Island, WA 98110-2451
954783370 +Dalsa Barbour LLC, 315 West 36th Street, Apt. 18B, New York, NY 10018-6404
954813078 +Dalsa Barbour LLC, 315 West 36th Street, #18B, New York, NY 10018-6404
954783371 +Department of Revenue, Bankruptcy Claims Unit, 2101 Fourth Avenue, Suite 1400, Seattle, WA 98121-2379
954813080 +Internal Revenue Service Centralized Insolvency, PO Box 21126, Philadelphia, PA 19114-0326
954783373 +Joel Yarmon, 840 K St #201, Anchorage AK 99501-3353
954813081 +Joel Yarmon, 2882 Sandhill Park, Menlo Park, CA 94025-7064
954813082 +Jon Chin, 14707 NE 44th Place, #Q-12, Bellevue, WA 98007-3195
954783374 +Peter Vessenes, 7561 Emerald Way, Bainbridge Island, WA 98110-2011
954813083 +Peter Vessenes, 7561 Emerald Way, Bainbridge Island WA 98110-2011
954813073 +Reyhani Nemirovsky LLP, 200 Park Avenue, 17th Floor, New York, NY 10166-0004
954813084 +Robert F. Seidensticker III, 909 Fifth Avenue, Suite 1901, Seattle, WA 98164-2038
954783375 +Robert F. Seidensticker IIT, 909 Fifth Avenue, Suite 1901, Seattle, WA 98164-2038
954783376 +Securities & Exchange Comunissi, Attn: Bankruptcy Counsel, 5670 Wilshire Blvd. 11th Fl., Los Angeles, CA 90036-5679
954783377 +Soule Investments, 5220 S Kimbark Avenue, Apt. I, Chicago, IL 60615-4036
954813085 +Soule Investments LLC, 5220 S Kimbark Avenue, Apt. 1, Chicago, IL 60615-4036
954813086 Sunshine Network Limited, Unit 5.27F 109 Argyle Street, Mongkok, KOWLOON NT, HONG KONG, PEOPLES REPUBLIC OF CHINA
954813087 +Timothy Draper Living Trust, 2882 Sand Hill Road, Menlo Park, CA 94025-7064
954783378 +Timotliy C. Draper LT, 2882 Sandhill Park, Menlo Park, CA 94025-7064
954813088 XRAY Holdings Limited, 188 Quay Street, Level 27, Auckland CBD, New Zealand 1010
954783379 XRay Holdings LLC, 188 Quay Street, Level 27, Auckland CBD, New Zealand 101
954783380 XRay Holdings LLC, 188 Quay Street, Level 27, Auckland CBD, New Zealand 101

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

smg E-mail/Text: cio.bnccmail@irs.gov Dec 18 2013 00:58:34 Internal Revenue Service, Centralized Insolvency Operations, PO Box 7346, Philadelphia, PA 19101-7346
smg +E-mail/Text: LAROBankruptcy@SEC.gov Dec 18 2013 00:58:50 Securities and Exchange Commission, Bankruptcy Counsel, 5670 Wilshire Blvd, 11th Floor, Los Angeles, WA 90036-5627
954783372 E-mail/Text: cio.bnccmail@irs.gov Dec 18 2013 00:58:33 Internal Revenue Service, Centralized Insolvency, PO Box 21126, Philadelphia, PA 19114

TOTAL: 3

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****

954813072 AMENDED MAILING MATRIX, Case No. 13-19746
954813076* +Christopher Koss, 3614 Hunts Point Road, Bellevue, WA 98004-1114
954813079* +Department of Revenue Bankruptcy Claims Unit, 2101 Fourth Avenue, Suite 1400, Seattle, WA 98121-2379

TOTALS: 1, * 2, ## 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Dec 19, 2013

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on December 13, 2013 at the address(es) listed below:

Charles R Ekberg on behalf of Special Request Bitvestment Partners LLC f/k/a Dalsa Barbour LLC ekbergc@lanepowell.com, Docketing-Sea@lanepowell.com
Deirdre Glynn Levin on behalf of Debtor CLI Holdings Inc dglynnlevin@kellerrohrback.com, dmmarshall@kellerrohrback.com;kengle@kellerrohrback.com
Robert N. Amkraut on behalf of Creditor Soule Investments, LLC ramkraut@riddellwilliams.com
Tereza Simonyan on behalf of Special Request Bitvestment Partners LLC f/k/a Dalsa Barbour LLC simonyant@lanepowell.com, westv@lanepowell.com;docketing-sea@lanepowell.com;stephensont@lanepowell.com
Thomas A Buford on behalf of US Trustee United States Trustee Thomas.A.Buford@usdoj.gov, Tara.Maurer@usdoj.gov
United States Trustee USTPRegion18.SE.ECF@usdoj.gov

TOTAL: 6

1 The Honorable: Karen A. Overstreet
2 Chapter: 11
3 Hearing Date: December 20, 2013
4 Hearing Time: 9:30 a.m.
5 Response Date: December 20, 2013

11 In re Case No. 13-19746

13 CLI Holdings, Inc., MOTION TO CONVERT OR DISMISS
14
15 Debtor CHAPTER 11 CASE and NOTICE OF
HEARING

17 NOTICE

18 Please take notice that the United States Trustee's Motion to Convert or Dismiss
19 is set for hearing as follows:

21 Judge: Overstreet Date: December 20, 2013
22 Place: 700 Stewart Street Time: 9:30 a.m.
23 Courtroom 7206
24 Seattle WA

25 If you oppose this motion, you must file your written response with the Clerk of
26 the Court on or before the response date, which is December 20, 2013. If no response is
27 timely filed, the Court may grant this motion without further notice and strike the
28 hearing.

MOTION TO CONVERT OR DISMISS CHAPTER 11
CASE and NOTICE OF HEARING – PAGE 1 of 3

Office of the United States Trustee
700 Stewart St., Suite 5103
Seattle, Washington 98101
(206) 553-2000

MOTION

2 The United States Trustee moves this Court for an order converting this
3 Chapter 11 case to Chapter 7 or dismissing this Chapter 11 case or for other appropriate
4 relief. In support of this motion, the United States Trustee states as follows:

5 1. The United States Trustee has standing to bring this motion pursuant to 11
6 U.S.C. §§ 307 and 1112(b). *See In re KC's Pub, LLC*, 428 B.R. 612, 614 (Bankr. M.D. Pa.
7 2010) (the United States Trustee is a party in interest as required by Section 1112(b)(1)).

8 2. The United States Trustee brings this motion pursuant to the United States
9 Trustee's authority to supervise the administration of bankruptcy cases under 28 U.S.C.
10 § 586(a)(3).

11 3. The Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy
12 Code on November 1, 2013.

13 4. On Schedule B, the Debtor listed \$1.6M worth of personal property. This
14 property primarily consists of Bitcoin mining rigs and parts to assemble additional
15 Bitcoin mining rigs.

16 5. The United States Trustee has requested, repeatedly, proof that the Debtor's
17 personal property is insured.

18 6. To date, the Debtor has failed to provide proof that the personal property is
19 insured

20 7. Section 1112(b) provides that absent unusual circumstances, “the court shall
21 convert a case under [Chapter 11] to a case under Chapter 7 or dismiss a case under
22 [Chapter 11], whichever is in the best interests of creditors and the estate, if the movant
23 establishes cause.” 11 U.S.C. § 1112(b)(1). Section 1112(b) establishes a two-step analysis
24 for addressing questions of conversion or dismissal. First, the court must determine
25 whether cause exists for conversion or dismissal. Second, the court must “apply a
26 ‘balancing test’ to choose between conversion or dismissal based upon the ‘best interests
27 of the creditors and the estate.’” *In re AVI, Inc.*, 389 B.R. 721, 729 (B.A.P. 9th Cir. 2008),
28 citing *In re Nelson*, 343 B.R. 671, 675 (B.A.P. 9th Cir. 2006)..

MOTION TO CONVERT OR DISMISS CHAPTER 11
CASE and NOTICE OF HEARING – PAGE 2 of 3

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(206) 553-2000

1 8. In this case, cause to convert or dismiss exists pursuant to § 1112(b) for the
2 following reasons:

3 (C) failure to maintain appropriate insurance that poses a risk to the
4 estate or to the public;

5 11 U.S.C. § 1112(b)(4).

6 9. Notice of this motion is sufficient pursuant to Local Bankruptcy Rule 2015-1(c).

7 WHEREFORE, the United States Trustee respectfully requests that this Court
8 enter an order (1) converting this Chapter 11 case to a case under Chapter 7 or
9 dismissing the case, whichever is in the best interest of creditors and the estate, or (2) for
10 such other and further relief as the Court may deem just and proper.

11 DATED December 13, 2013

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MOTION TO CONVERT OR DISMISS CHAPTER 11
CASE and NOTICE OF HEARING – PAGE 3 of 3

Office of the United States Trustee
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Seattle, Washington 98101
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